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1940-42

Montana. Dept. of  
State Lands and  
Investments  
Biennial report  
for the period  
beginning July 1  
... and ending

STATE DOCUMENTS

# MONTANA



## Department of State Lands and Investments

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### BIENNIAL REPORT

For the Period Beginning  
JULY 1, 1940 AND ENDING  
JUNE 30, 1942

\*\*\*\*\*

J. W. WALKER  
Commissioner of State Lands and Investment.



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Montana. State Lands, Department of  
Report, 1940-42

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# MONTANA



## Department of State Lands and Investments



### BIENNIAL REPORT

For the Period Beginning  
JULY 1, 1940 AND ENDING  
JUNE 30, 1942



J. W. WALKER  
Commissioner of State Lands and Investments

NAEGELE PRINTING CO., HELENA, MONT.





Montana  
State Land Department

STATE BOARD OF  
LAND COMMISSIONERS

Hon. Sam C. Ford, Governor, President of the Board.  
Hon. Elizabeth Ireland, Superintendent of Public Instruction.  
Hon. Sam W. Mitchell, Secretary of State  
Hon. Howard Gullickson, Attorney General

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OFFICERS OF THE DEPARTMENT OF STATE LANDS  
AND INVESTMENTS

J. W. WALKER  
Commissioner of State Lands and Investments  
and Secretary to the Board

- - - - - Assistant Commissioner  
WALTER J. BURTON - - - - - Chief Field Agent  
RUTLEDGE PARKER - - - - - State Forester (Missoula)

# FEDERAL LAND GRANTS TO THE STATE OF MONTANA



Grant	Acres
Public School.....	5,188,000.00
State University .....	46,720.00
Agricultural College—Morrill Grant.....	90,000.00
Agricultural College—Second Grant.....	50,000.00
School of Mines.....	100,000.00
State Normal Schools.....	100,000.00
Deaf and Dumb Asylum.....	50,000.00
State Reform School.....	50,000.00
Public Buildings (State Capitol).....	182,000.00
Soldiers' Home.....	1,275.61
“Militia Camp” now used as Agricultural Experiment Station .....	640.00
Agricultural and Manual Training School.....	2,000.00
State Penitentiary.....	9.75

# I N D E X

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	Page No.	Table No.
Administration, Cost of .....	49	XXXI
Apportionment of Income.....	45-6-7	XXVIII, XXIX
<b>Assets Belonging to Permanent Funds</b>		
As of June 30, 1941.....	20	VIII
As of June 30, 1942.....	21	IX
Comparison for 1934-1942.....	25	XIII
<b>Certificates of Purchase</b>		
On mortgage lands, cancellation.....	43	
Penalty interest remitted.....	10	
<b>Constitution</b>		
Amendment to Section 5, Article XI.....	48	XXX
Amendment to Article XXI.....	12, 13	
<b>Farm Loans</b>		
Condition of .....	42	XXVI
Leases on farm loan land.....	44	XXVII
State Farm Loan Sinking Fund.....	43	
Taxes and costs paid by State.....	42	
Total investment in .....	42	
Federal Land Grants to State of Montana .....	4	
<b>Field Department</b>		
Cost of administration.....	49	XXXI
Acreage appraised by.....	10	
Grazing Districts.....	10	
<b>Income</b>		
Apportionment to school districts.....	45-6-7	XXVIII, XXIX
Comparison of income 1934-1942.....	23	IX
Income from all sources, 1941.....	14	I
Income from all sources, 1942.....	15	II
Increase in gross income.....	9	
Total receipts since 1896 .....	18, 19	V
<b>Investments</b>		
Total investments made, 1940-1942.....	19	VI, VII
Detail of investments made, 1940-1942.....	26-7-8	XIV, XV
General remarks concerning.....	11, 12	
<b>Leases, Agriculture and Grazing</b>		
School Lands under lease.....	37	XXII
Farm Loan lands under lease.....	44	XXVII
Increased acreage under lease.....	9	
Subleasing of state lands.....	9	

# INDEX (Continued)

	Page No.	Table No.
Leases, Mining and Coal		
Number in effect June 30, 1942.....	39	XXIII
Regulations concerning.....	39	
Leases, Oil and Gas		
Number in effect June 30, 1942.....	38	XXIII
Leasing of state lands for oil and gas.....	38-9	
Royalties and rentals from.....	41	XXV
Letter of Transmittal.....	7	
Mineral Department established.....	11	
Montana Trust and Legacy Fund		
Accounts constituting.....	22	X
Permanent funds invested as part of.....	12, 13	
Officers of Department, 1897-1942.....	8	
Permanent Funds		
Additions to Public School.....	48	XXX
Receipts for, 1941 and 1942.....	16, 17	III, IV
Comparison of Receipts, 1934-1942.....	24	XII
Total receipts since 1896.....	18, 19	V
Investment of.....	11, 12	
Permits		
Minerals and miscellaneous in effect June 30, 1942.....	40	XXIV
Royalties from.....	41	XXV
Right-of-Way and Easement Deeds Issued....	36	XXI
Sales of State Lands		
Summary of sales 1940-1942.....	29	XVI, XVII
Summary of all land sales.....	30-1	XVIII
Unsold land account.....	34-5	XX
Unsold state lands by counties.....	32-3	XIX
U. S. Patents on State Lands.....	13	



STATE OF MONTANA

BIENNIAL REPORT OF  
THE COMMISSIONER OF STATE LANDS  
AND INVESTMENTS

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Helena, Montana  
November 2, 1942

His Excellency, Sam C. Ford,  
Governor of the State of Montana.

Sir:

In accordance with Section 1805.10 of the Revised Codes of Montana, 1935, I herewith submit the Biennial Report of the Commissioner of State Lands and Investments for the two-year period beginning July 1, 1940, and ending June 30, 1942.

Respectfully submitted,

J. W. WALKER  
Commissioner.

## OFFICERS OF STATE LAND DEPARTMENT FROM 1891 TO JULY 1, 1927

YEAR	STATE LAND BOARD				REGISTER OF STATE LANDS	STATE LAND AGENT	STATE FORESTER
	Governor	Supt. Pub. Inst.	Sec'y. of State	Atty. General			
1890-1892	Jos. K. Toole	John Gannon	L. Rotwitt	H. J. Haskell	S. A. Swiggett	Granville Stuart	
1893-1894	John B. Rickards	E. A. Steere	L. Rotwitt	H. J. Haskell		R. O. Hickman	
1895-1896	John B. Rickards	E. A. Steere	L. Rotwitt	H. J. Haskell		J. M. Page	
1897-1900	Rob. B. Smith	E. A. Carleton	T. S. Hogan	C. B. Nolan	H. D. Moore	Henry Neill	C. W. Jungberg
1901-1904	Jos. K. Toole	W. W. Welch	Geo. M. Hays	James Donovan	(Thos. D. Long)	Henry Neill	
1905-1908	Jos. K. Toole	W. E. Harmon	A. N. Yoder	Albert J. Galen	John P. Schmitt	Henry Neill	
1909-1912	Edw. L. Norris	W. E. Harmon	T. M. Swindlehurst	(Albert J. Galen)	F. H. Itay	C. A. Whipple	John C. Van Hook John C. Van Hook R. P. McLaughlin
1913-1916	S. V. Stewart	H. A. Davee	A. M. Alderson	(D. M. Kelly)	Sidney Miller	C. A. Whipple	
1917-1920	S. V. Stewart	May Trumper	C. T. Stewart	J. B. Fomexter	Sidney Miller	Geo. W. Cook	
1921-1924	Jos. M. Dixon	May Trumper	C. T. Stewart	(W. D. Rankin)	H. V. Bailey	C. A. Whipple	
1925-1927	J. E. Erickson	May Trumper	C. T. Stewart	(L. A. Foot)	I. M. Brandjord	L. E. Choquette	Rutledge Parker

## OFFICERS OF DEPARTMENT OF STATE LANDS AND INVESTMENTS

FROM JULY 1, 1927, TO JUNE 30, 1942

YEAR	STATE BOARD OF LAND COMMISSIONERS				Commissioner State Lands & Investments	Chief Field Agent	State Forester
	Governor	Supt. Pub. Instr.	Sec'y. of State	Atty. General			
1927-1928	J. E. Erickson	May Trumper	(William Powers)	L. A. Foot	I. M. Brandjord	L. E. Choquette	Rutledge Parker
1928-1932	J. E. Erickson	Elizabeth Ireland	(J. W. Mountjoy)	L. A. Foot	I. M. Brandjord	L. E. Choquette	Rutledge Parker
1932-1936	F. H. Cooney	Elizabeth Ireland	W. E. Harmon	Raymond T. Nagle	I. M. Brandjord	L. E. Choquette	Rutledge Parker
1936-1937	Elmer Holt	Elizabeth Ireland	Sam W. Mitchell	Raymond T. Nagle	I. M. Brandjord	L. E. Choquette	Rutledge Parker
1937-1941	Roy E. Ayers	Ruth Reardon	Sam W. Mitchell	(Chas. K. Matson)	Nanla B. Sherlock	H. C. Bierling	Rutledge Parker
1941-1942	Sam C. Ford	Elizabeth Ireland	Sam W. Mitchell	(John W. Bonner)	J. W. Walker	W. C. Burton	Rutledge Parker
				(H. Gullickson)			

## General Information

### INCREASE IN GROSS INCOME

A steady increase in the income of the Department of State Lands and Investments for the past six years is noted in the following tabulation:

Gross Income for Year Ending	Amount
June 30, 1937.....	\$1,019,368.40
June 30, 1938.....	1,050,325.94
June 30, 1939.....	1,117,175.45
June 30, 1940.....	1,387,448.34
June 30, 1941.....	1,414,719.86
June 30, 1942.....	1,756,649.80

### TOTAL ACREAGE UNDER LEASE

Ninety-five per cent of all unsold state-owned land, exclusive of forest land, was under lease for agricultural and grazing purposes on June 30, 1942. The total acreage under lease was 4,827,638.92 acres, of which 4,302,704.22 acres were for grazing use and 524,934.70 acres for farming purposes. This is the highest percentage of leased land in the history of the department, and the largest number of acres ever under lease at any one time.

### CROP-SHARE RETURNS

Special attention is being given to the collection of crop-share rentals on state lands. Deputy field agents are assigned during harvest to agricultural counties to facilitate the collection of the State's share of grain.

Growth of the Triple A has created a problem for this department, in that the State is considered a multiple landlord and is held equally responsible with the lessees for overseeding and other violations, and must pay its share of penalty for excess wheat before its wheat may be sold. Every effort is being made to adjust these problems between the AAA and ACA offices and our lessees. During the crop year of 1941 the State received the all-time high of \$329,048.45 from crop-share rentals.

### SUBLEASING OF STATE LANDS

By legislative enactment, a sublease on state owned land must be approved by the Department of State Lands, and a copy of the sublease placed on file in the Land Office, and no sublease on state lands may legally be made at a rental in advance of that paid by the original lessee to the State.

Carrying out the provisions of this statute is rapidly eliminating speculation in state land leases by absentee landlords and encouraging the actual users of state lands.

## COOPERATIVE STATE GRAZING DISTRICTS

On March 17, 1939, Chapter 208 of the 1939 Session Laws went into effect, creating the Montana Grass Conservation Commission, and providing for the organization of cooperative state grazing districts. Under this plan certain units of grazing lands in which state lands may be included are supervised by the districts and apportioned to members in such manner as to enforce the conservation of the State's pasture resources, not only by prevention of over-grazing but by developing stock water in dry areas. Grazing districts are required by law to lease all vacant state lands within their boundaries, and there are now 40 such grazing district leases, involving 338,323.14 acres, in effect.

The Department of State Lands is cooperating with the Grass Conservation Commission in the program of rehabilitating over-grazed areas, developing stock water in dry regions, and general conservation policies calculated to stabilize the stock industry and to preserve the state's grass resources.

### ACREAGE APPRAISED BY FIELD DEPARTMENT

Year Ending	Acres
June 30, 1937.....	185,431.08
June 30, 1938.....	246,278.88
June 30, 1939.....	432,209.04
June 30, 1940.....	689,044.56
June 30, 1941.....	553,880.93
June 30, 1942.....	562,651.08

The field men make their reports to the office semi-monthly, and in addition to making land appraisals their time is devoted to investigations and collections.

### PENALTY INTEREST ON PURCHASE CONTRACTS REMITTED

Regardless of depreciated land values during the past ten or fifteen years, the original price at which state lands were sold under contract must be maintained. Lands purchased from the State in the years from 1915 to 1930 were generally bought at prices advanced by competitive bidding to values far in excess of those placed on adjoining lands. The high cost and accumulation of interest made it difficult for purchasers to continue paying the yearly installments on their contracts. The certificates would become delinquent for a period of several years and with the low prices obtained for agricultural products and livestock, the added burden of penalty interest made it impossible for purchasers to continue or reinstate their contracts.

In 1939 the Legislature took into consideration the foregoing facts and sought to relieve the situation by enacting Chapter 140 permitting the remitting of penalty interest on delinquent installments on certificates of purchase if all delinquency was paid prior to December 1, 1940. With this assistance a large number of certificate holders paid up their delinquency and reinstated their contracts. The legislation proved so beneficial to land purchasers that it was re-enacted by the 1941 Legislature under

Chapter 30, terminating December 1, 1942. Good prices for farm products and livestock have enabled purchasers to pay up a large amount of the existing delinquencies, and in many instances certificates have been paid in full and patents obtained to the land.

Purchasers of state land bought under the amortization plan have expended large sums of money in the construction of buildings and other improvements and in preparing the land for cultivation, and are doing their utmost to pay out their certificates. Taking into consideration the high price paid for state land, this legislation has proven most advantageous to holders of sales contracts and has also greatly benefitted the permanent school funds and the interest and income funds. If this legislation is again enacted for a two-year period ending December 31, 1944, many more purchasers will be enabled to place their contracts in good standing and avoid irreparable financial loss to themselves.

### MINERAL DEPARTMENT ESTABLISHED

Beginning August 1, 1941, a mineral department was established for the separate handling of all leasing of state lands other than for agricultural and grazing purposes. This department not only handles the leasing of state lands for oil and gas, coal and other mineral production, but issues leases for airports, beacon sites, oil refineries, fire lookout stations, summer camps, hunting lodges and all other miscellaneous purposes. Permits are also issued by this department for prospecting for metalliferous minerals and gems as well as non-metallic minerals, for the removal of timber on state-owned lands not classified in a state forest, for the removal of gravel, coal for family use only, and to establish watering places and wells and many other miscellaneous uses permitted under the laws governing state lands.

During the last fiscal year, oil and gas royalties collected amounted to \$94,606.62, which is the highest amount received during any one year since 1930. The amount for the first fiscal year of this report was \$86,298.23. The oil and gas lease rentals and penalties for the last fiscal year amounted to \$58,157.84 and represented 3.31% of the total income for the year from all sources, including interest on investments. Coal, sand and gravel royalties collected for the last fiscal year, totaling \$6,048.69, show the highest amount recorded for any one year from state lands.

### INVESTMENT OF PERMANENT FUNDS

Under the statutes, permanent funds of the schools and other institutions can only be invested in government bonds, bonds of the State of Montana, general obligation bonds of the political subdivisions of the State, and interest-bearing warrants of the general fund of the State and of the counties. The legality of the proceedings for the issuance of all school district, city and county bonds must be approved by the Attorney General before the State Board of Land Commissioners makes the final purchase.

Permanent funds are invested in authorized bond issues as early as possible following receipt, with only enough reserve kept on hand to give the taxpayers the protection which is afforded by the State's being in a position to bid on their bond issues.

On April 15, 1941, there was invested in the educational permanent funds \$4,100,000.00 in United States government non-taxable bonds. On May 2, 1941, the Federal Government issued a large block of taxable bonds; that is, the private investor must take into account any interest received from these bonds in his income tax report. The State of Montana, however, being exempt from income taxes, was able to take advantage of the lower prices quoted on taxable bonds.

The issuance of the **taxable** bonds increased the quotations on **non-taxable** bonds very materially so we sold the entire amount of our **non-taxable** bonds at a profit of \$219,260.10 more than had been paid for them after all commissions for selling them had been paid. The money from this sale was then used to purchase \$4,161,000.00 worth of taxable bonds at prices much lower than had been paid for the original bonds, so that after increasing the par value of our investment by \$61,000.00, we still had \$191,431.78 to turn over as profit to the interest and income funds.

Some of the bonds sold had slightly higher interest rates than those purchased, so the difference in earned interest over the life of the bonds should be taken into account.

The addition of the \$191,431.78 to the interest on investments, the interest on state land purchase contracts, and the lease returns from rented state lands for the calendar year 1941 enabled us to distribute the Common School Interest and Income Fund to the school districts of the State at the rate of \$9.26 per child, the largest per capita distribution in the history of the department.

### MONTANA TRUST AND LEGACY FUND

At the general election of 1938 the people of Montana approved amendments to Article XXI of the State Constitution which in effect provided that the public school permanent fund and other permanent funds arising from the several land grants by the United States should be invested as parts of the Montana Trust and Legacy Fund. These amendments were declared in effect by the Governor's proclamation on December 2, 1938. However, due to a difference of opinion as to the validity of this legislation and some uncertainty as to how the plan was to be put into effect, the separate funds were not actually turned over to the Montana Trust and Legacy Fund until January 31, 1941. At that time the State Treasurer transferred all cash balances in the following permanent funds to the cash account of the Montana Trust and Legacy Permanent Fund: Common School, University, Agricultural College Morrill Grant, Agricultural College Second Grant, School of Mines, State Normal Schools, Deaf and Dumb Asylum, State Reform School, Ryman Library, Ryman Fellowship, and W. W. Dixon Endowment Funds. The amount actually transferred was \$1,109,032.53.

Under this unified investment plan, all receipts for the permanent funds of the various institutions are transferred to the common fund at the end of each month. Eventually, as investments now held by the separate funds are redeemed, the entire amount of each fund will be part of the Montana Trust and Legacy Fund. In the meantime, the income from the outstanding investments not part of the common fund goes direct to the institution concerned. The income from the pooled invest-

ments in the common fund goes into the Montana Trust and Legacy Interest and Income Fund, from which it is distributed quarterly to the various funds on the basis of the average balance each fund had in the common fund for the past ninety days.

From a total of \$1,341,752.09 on January 31, 1941, the Montana Trust and Legacy Fund has grown to \$8,992,473.69 as of June 30, 1942. (See Table No. X.) Interest distributions made during this period have amounted to \$91,190.18.

#### U. S. PATENTS TO SECTIONS 16 AND 36

The work of securing United States patents, as evidence of title, to numbered school sections in place has gone on slowly during the past biennium with the limited funds available. The State has now made application for patent on 2,765,590.65 acres, and patents have been received for over 1,733,000.00 acres. There are 837,742.73 acres yet to be applied for, but until there is an appropriation sufficient to pay the costs of publishing the necessary notices to parties claiming any interest against the State, such application cannot be made.

The patents so far received have covered lands in the western part of the State and have been valuable in many cases in proving State's ownership. Prior to the passage of the Act of Congress of June 21, 1934, authorizing the issuance of such patents, the State's title to Sections 16 and 36 rested merely upon the general grant made by Congress on the admission of Montana to the Union, and in many instances, titles were doubtful because of mining, forest, or homestead withdrawals made before the time of survey. Applying for patent has brought all such cases to light and definitely established the question of title one way or the other whenever application has been made.

TABLE NO. 1  
INCOME FROM ALL SOURCES DURING FISCAL YEAR, JULY 1, 1940 TO JUNE 30, 1941

Institutions and Funds To Which the Income Belongs	Rentals on Agri. & Grazing Leases	Grazing Fees Collected by State Forester	Rentals on Oil & Gas Leases	Interest on Land Sales (C. L. S.)	Interest on Farm Mortgages	Interest on Bonds	Parity & SCA Payments from U. S.	Electrical Energy Tax	Fees and Penalties	TOTALS
State General Fund.....	\$ 100.00								F \$ 6,173.10 P 6,193.53	12,466.63
Public School.....	\$336,105.94	\$ 5,535.39	\$27,601.45	\$ 90,658.56	\$ 74,226.61	\$488,410.51	S \$ 6,584.65 P 8,303.66	11.47b		1,073,660.40
State University.....	1,532.89	130.00		2,590.59		26,233.68		36,222.16		30,457.16
Agri. Col.—Morrill Grant.....	4,910.30			764.71		21,683.07				30,358.08
Agri. Col.—Second Grant.....	810.89			732.56		14,933.81				17,286.23
School of Mines.....	4,515.42	808.97		2,401.98		26,167.20	S 40.79			33,582.22
State Normal Schools.....	3,653.46	456.83		924.90		13,135.47				17,415.81
Deaf & Dumb Asylum.....	1,335.05	301.98		339.45		2,939.59				4,831.59
State Reform School.....	1,660.90	2,635.03		300.86		5,534.91		50.77c		10,131.70
Capitol Buildings.....	3,650.10		312.12	2,496.48			S 1.90	154,382.83d		166,803.62
Soldiers' Home.....	53.45	5,889.42				139.64				190.39
Mont. Trust & Leg. Fund.....						15,092.93		135.34e		15,138.27
Veterans' Memorial.....						1,614.95		743.71d		2,357.76
State Farm L'n S'k'g F'd.....	10.00				150,326.97		S 2,670.08 P 3,973.88			156,970.93
O. H. & T. R. Society.....										10.00
TOTALS.....	\$357,738.40	\$15,975.12	\$27,913.57	\$101,210.09	\$224,553.58	\$618,792.16	\$21,574.56	\$191,566.28	\$12,366.63	\$1,571,690.79
GRAND TOTAL, Not Including F. L. Sinking Fund.....										\$1,414,719.86

a Transfer from Farm Loan Sinking Fund      c Transfer      e Receipts for Escheated Estates

b Refund      d Receipts from counties



TABLE NO. II  
INCOME FROM ALL SOURCES DURING FISCAL YEAR, JULY 1, 1941, TO JUNE 30, 1942

Institutions and Funds to Which the Income Belongs	Rentals on Agri. & Grazing Leases	Grazing Fees Col- lected by State Forester	Rentals on Oil & Gas Leases	Interest on Land Sales (C. P's.)	Interest on Farm Mortgages	Interest on Bonds	Parity & SCA Payments from U. S.	Transfers from M. T. & L. Fund	Fees and Penalties	TOTALS
State General Fund.....	\$ 150.00								P \$ 6,931.70 P 16,200.70	23,282.40
Public School.....	\$445,298.50	\$5,687.49	\$41,751.43	\$85,255.30	\$ 72,643.36a	\$544,816.83	S \$ 16.98 P 5,196.01	\$69,910.85		1,300,576.75
State University.....	2,024.65	130.00		1,194.22		18,881.59	P 22.05	2,954.65		25,207.16
Agri. Col.—Morrill Grant.....	3,517.77			501.52		37,614.33		3,864.68		45,438.30
Agri. Col.—Second Grant.....	783.64	1,019.68		842.09		6,295.14		1,398.65		10,369.20
School of Mines.....	6,650.16	524.14		2,033.18		21,279.99	P 15.00	4,358.41		34,860.88
State Normal Schools.....	3,570.97	309.73		729.70		10,473.52		1,020.04		16,503.96
Deaf & Dumb Asylum.....	1,507.20			173.16		2,008.58		1,138.73		4,527.67
State Reform School.....	2,093.74	273.96		219.05		5,027.88	P 2.75 P 166,561.17b	929.29		8,543.92
Capitol Buildings.....	3,898.57	966.12	205.71	561.95						172,196.27
Soldiers' Home.....	53.45							20.88		196.96
Mont. Trust & Leg. Fund.....										112,624.97
Veterans' Memorial.....								362.60c		1,925.94
State Farm L'n S'k'g F'nd.....					180,736.69	1,563.34	P 3,177.56			183,914.25
O. H. & T. B. Society.....	10.00			23.73				61.69		95.42
TOTALS.....	\$519,358.65	\$8,911.12	\$41,957.14	\$71,503.90	\$253,380.05	\$760,708.80	\$175,354.12	\$86,257.87	\$23,132.40	\$1,940,564.05
GRAND TOTAL, Not Including F. L. Sinking Fund.....										\$1,756,649.80

a Transfer from F. L. Sinking Fund.

b Tax receipts from counties.

c Boxing match receipts from counties

**TABLE NO. III**  
**RECEIPTS FOR PERMANENT FUNDS FROM ALL SOURCES DURING FISCAL YEAR, JULY 1, 1940, TO JUNE 30, 1941**

Institutions and Funds to Which the Receipts Belong	Land Sales First Payments	Installments on Land Sales (C. P.'s)	Timber Sales by State Forester	Oil and Gas Royalties	Coal, Sand & Gravel Royalties, etc.	Total of These Initial Payments	Repayments on Mortgages	Repayments on Bonds	Escheated Estates	Grand Totals
	\$									
Public Schools.....	120,29a		99,45d							\$2,501,147.61
State University.....	3,610,28b	\$103,310.61	\$25,805.13	\$81,039.27	\$5,256.15	\$285,872.26	\$131,200.87	\$2,087,074.48		198,607.71
Agri. Col.—Morrill Grant.....	46,568,00c	2,216.36	17,500			2,239.60		136,368.11		93,547.98
Agri. Col.—Second Grant.....	23,24b	429.42	943.51			116.92		93,101.06		87,786.64
School of Mines.....	55,40b	596.25	32,468.99			1,595.19		86,191.45		178,693.53
State Normal Schools.....		1,641.03	10,000			34,110.02		144,583.51		
Deaf & Dumb Asylum.....	228.50	1,669.71	562.16		116.10	2,786.47		82,850.06		87,437.13
State Reform School.....		1,564.28	2,386.09			3,950.37		48,822.53		52,772.90
Capitol Buildings.....		204.66	7,231.87	875.03		7,441.02		19,454.30		26,895.33
Soldiers' Home.....	25,00b	8,055.39	29,535.15			28,490.57		384.32		38,400.57
Mont. Trust & Leg. F'd.....										
Veterans' Memorial.....										
State Farm L'n Skg. F'd.....				4,383.93				34,576.32	5,000.00f	40,300.37
O. H. & T. B. Society.....								2,780.75		2,780.75
TOTALS.....	\$70,993.79	\$119,687.71	\$99,064.38	\$86,298.23	\$85,372.27	\$381,326.36	\$176,084.13	\$2,736,187.49	\$5,724.35	\$3,299,322.33
GRAND TOTAL, Not including F. L. Sinking Fund.....										\$3,250,055.14

a 5% U. S. Land Sales.  
 b Rights-of-way.

c 5% of 1940 income.  
 d Collected by this dept.

e Transfer from F. L. Sinking Fund.  
 f State Prison Inmate's Fund.

TABLE NO. IV  
 RECEIPTS FOR PERMANENT FUNDS FROM ALL SOURCES DURING FISCAL YEAR, JULY 1, 1941, TO JUNE 30, 1942

Institutions and Funds to Which the Receipts Belong	Land Sales First Paym'ts	Installments on Land Sales (C. P's.)	Timber Sales by State Forester	Oil and Gas Royalties	Coal, Sand & Gravel Royalties, etc.	Total of These Initial Paym'ts	Repayments on Mortgages	Repayments on Bonds	Escheated Estates	Grand Totals
Public Schools	\$ 6,030.45a	\$112,862.57	\$ 340.00c	\$91,284.86	\$5,980.69	\$379,871.11	\$228,382.48d	500.00e		\$5,139,392.33
State University	26,968.93	\$12,958.58b	63,445.03		36.55	2,081.09		\$4,530,608.74		129,825.63
Agri. Col.—Morrill Grant	131.20a	1,896.38	16.96			980.86		127,734.54		297,074.88
Agri. Col.—Second Grant	175.00a	811.86				1,166.23		296,088.02		39,749.49
School of Mines	291.15a	407.79	752.44					191,084.41		212,874.74
State Normal Schools	323.25	4,215.25	16,929.23		31.45	21,790.33		135,482.33		138,024.48
Deaf & Dumb Asylum	125.00	762.11	1,655.04			2,542.15		54,323.91		58,152.60
State Reform School	380.75a	437.87	3,425.82			3,863.69		42,993.58		61,821.09
Capitol Buildings	237.90a	155.79	12,045.38			12,581.92				398.63
Soldiers' Home	2,925.60	1,792.52	56,186.26	678.81		61,821.09		398.63		645,674.11
Mont. Trust & Leg. F'd								635,677.89	9,996.22	14,078.45
Veterans' Memorial								14,078.45		117,472.05
State Farm L'n S'k'g F'd				2,642.95		2,642.95	114,829.10			46.21
O. H. & T. B. Society		46.21				46.21				\$9,996.22
TOTALS	\$110,547.81	\$123,388.35	\$154,796.16	\$94,606.62	\$6,048.69	\$349,387.63	\$343,211.58	\$6,067,581.76	\$9,996.22	\$6,910,177.19
GRAND TOTAL, Not Including F. L. Sinking Fund										\$6,792,705.14

a Rights-of-way.  
 b 5% of 1941 income.  
 c Collected by this dept.  
 d Transfer from F. L. Sinking Fund.  
 e Fine from Insurance Co.

**TABLE NO. V**  
**RECEIPTS FROM STATE LANDS AND PERMANENT**  
**FUNDS BY YEARS**

		Income and Receipts for Permanent Funds
Prior to	1896.....	\$ 172,190.71
During	1896.....	38,185.23
	1897.....	101,755.98
	1898.....	126,833.71
	1899.....	200,195.20
	1900.....	200,275.25
	1901.....	293,335.75
	1902.....	363,584.63
	1903.....	388,279.13
	1904.....	389,812.60
	1905.....	357,790.52
	1906.....	651,352.62
	1907.....	829,480.06
	1908.....	805,105.35
	1909.....	434,429.96
	1910.....	826,836.01
	1911.....	695,771.74
	1912.....	1,306,892.75
	1913.....	1,223,857.96
	1914.....	1,122,205.27
	1915.....	1,219,602.97
	1916.....	1,657,639.21
	1917.....	1,812,812.29
	1918.....	1,828,712.43
	1919.....	2,263,728.95
	1920.....	1,770,070.57
	1921 (Dec. 1, 1920, to June 30, 1921).....	699,653.74
	1922.....	1,290,891.25
	1923.....	1,408,325.48
	1924 (Up to June 30).....	1,183,456.66
Total.....		\$25,663,054.98

	Income	Receipts for Permanent Funds	Totals
July 1, 1924—June 30, 1925.....	\$1,101,763.73	\$360,994.55	\$ 1,462,758.28
July 1, 1925—June 30, 1926.....	1,276,841.10	645,211.40	1,922,052.50
July 1, 1926—June 30, 1927.....	1,403,869.20	697,056.60	2,100,920.80
July 1, 1927—June 30, 1928.....	1,583,485.78	703,791.39	2,287,277.17
July 1, 1928—June 30, 1929.....	1,588,916.71	745,245.45	2,334,162.16
July 1, 1929—June 30, 1930.....	1,536,964.63	563,716.54	2,100,681.17
July 1, 1930—June 30, 1931.....	1,314,364.67	344,701.33	1,659,066.00
July 1, 1931—June 30, 1932.....	1,020,005.16	255,130.44	1,275,135.60
July 1, 1932—June 30, 1933.....	922,896.98	173,472.02	1,166,369.00

July 1, 1933—June 30, 1934.....	1,085,334.20	238,733.90	1,324,068.10
July 1, 1934—June 30, 1935.....	1,267,699.79	315,898.07	1,583,597.86
July 1, 1935—June 30, 1936.....	1,236,095.95	435,922.52	1,672,018.47
July 1, 1936—June 30, 1937.....	1,019,368.40	337,058.84	1,356,427.24
July 1, 1937—June 30, 1938.....	1,050,325.94	285,795.79	1,336,121.73
July 1, 1938—June 30, 1939.....	1,117,175.45	273,904.91	1,391,080.36
July 1, 1939—June 30, 1940.....	1,387,448.34	395,265.34	1,782,713.68
July 1, 1940—June 30, 1941.....	1,414,719.86	508,143.28	1,922,863.14
July 1, 1941—June 30, 1942.....	1,756,649.80	715,627.16	2,472,276.96

GRAND TOTAL.....\$56,812,645.20

The receipts for the permanent funds beginning with July 1, 1924, include new receipts and repayments on mortgages, but do not include repayments on bonds and warrants. The table includes all receipts for the Capitol Building Fund and in later years receipts for the Montana Trust and Legacy Fund and other minor items not arising from the Federal land grants.

**TABLE NO. VI**  
**TOTAL INVESTMENTS MADE DURING FISCAL YEAR**  
**JULY 1, 1940, TO JUNE 30, 1941**

FUNDS INVESTED	U. S. Bonds	County and City Bonds	School District Bonds	TOTALS
Public Schools .....	\$1,000,000.00	\$221,650.00	\$192,994.23	\$1,414,644.23
State University .....		20,000.00	10,000.00	30,000.00
Agr. Col.—Morrill.....			20,000.00	20,000.00
Agr. Col.—Second.....			13,000.00	13,000.00
School of Mines.....			27,500.00	27,500.00
State Normal Schools.....		16,000.00	65,151.57	81,151.57
Deaf and Dumb Asylum .....			23,500.00	23,500.00
Soldiers' Home.....			2,000.00	2,000.00
Veterans' Memorial.....			2,295.00	2,295.00
Montana Tr. & Legacy.....	2,314,271.00	141,000.00	153,771.85	2,609,042.85
TOTALS.....	\$3,314,271.00	\$398,650.00	\$510,212.65	\$4,223,133.65

**TABLE NO. VII**  
**TOTAL INVESTMENTS MADE DURING FISCAL YEAR**  
**JULY 1, 1941, TO JUNE 30, 1942**

FUNDS INVESTED	U. S. Bonds	County and City Bonds	School District Bonds	TOTALS
Veterans' Memorial .....			\$ 5,344.16	\$ 5,344.16
Montana Tr. & Legacy.....	\$5,334,557.50	\$178,832.38	240,592.97	5,753,982.85
TOTALS.....	\$5,334,557.50	\$178,832.38	\$245,937.13	\$5,759,327.01

For detail of investments made, see Tables XIV and XV.

TABLE NO. VIII  
PERMANENT ASSETS JUNE 30, 1941

Institutions and Funds to Which the Assets Belong	Val. Unsold Lands at \$10 per Acre	Deferred Payments on Land Sales	SECURITIES				Cash with State Treasurer	TOTALS
			Farm Mortgage Loans	U. S. Bonds	State of Montana Funding Bonds	County, City & School Dis- trict Bonds		
Public Schools	\$46,225.18	\$1,274,904.67	\$3,686,445.62	\$2,091,000.00	\$2,980,500.00	\$5,127,761.27	\$	\$61,385,461.26
State University	294,463.00	15,049.49	.....	60,000.00	.....	303,132.63	.....	582,641.05
Agri. Col.—Morrill	676,752.70	11,847.45	.....	234,000.00	.....	206,244.70	.....	1,148,858.90
Agri. Col.—Second	412,700.90	3,575.35	.....	.....	.....	149,900.50	.....	572,242.75
School of Mines	649,684.30	43,863.37	.....	95,000.00	.....	465,269.77	.....	1,193,819.44
State Normal Schools	709,432.40	14,289.41	.....	.....	.....	552,833.74	.....	1,276,565.55
Deaf and Dumb Asylum	371,964.50	6,650.84	.....	.....	.....	210,960.08	.....	1,280,576.92
State Reform School	372,723.40	2,968.56	.....	.....	.....	153,912.50	.....	539,604.46
Capitol Buildings	1,328,519.90	22,481.96	.....	.....	.....	.....	.....	1,351,001.86
Soldiers' Home	12,756.10	.....	.....	.....	.....	3,496.02	.....	16,252.12
O. H. & T. B. Society	650.00	363.59	.....	.....	.....	.....	.....	1,013.59
Veterans' Memorial	.....	.....	.....	.....	.....	41,722.55	4,625.16	46,347.71
Montana Trust & Legacy	.....	.....	.....	2,211,000.00	.....	483,299.13	115,001.82	2,911,294.51
TOTALS	\$59,964,817.40	\$1,401,990.60	\$3,686,445.62	\$4,812,993.56	\$2,980,500.00	\$7,668,693.56	\$	\$71,635,079.22

\*Premiums paid on U. S. Bonds.

As of January 31, 1941, all cash balances belonging to the permanent funds above listed, with the exception of the Veterans' Memorial Fund, were transferred to the Montana Trust and Legacy Permanent Fund, to be invested henceforth as part of this fund. This action was taken in accordance with the amendment to Article XXI of the State Constitution adopted by vote of the people on November 8, 1938, and upon the instructions of the justices of the Montana Supreme Court, who are designated by the Constitution as the supervisory body over the administration of the Montana Trust and Legacy Fund.

For statement of the condition of the Montana Trust and Legacy Fund at the end of the two fiscal years covered by this report, see Table No. X.

TABLE NO. IX  
PERMANENT ASSETS, JUNE 30, 1942

Institutions and Funds to Which the Assets Belong	Val. Unsold Lands at \$10 per Acre	Deferred Payments on Land Sales	SECURITIES				Cash with State Treasurer	TOTALS
			Farm Mortgage Loans	U. S. Bonds	State of Montana Funding Bonds	County, City & School Dis- trict Bonds		
Public Schools	\$46,104,545.60	\$1,236,076.12	\$3,458,063.14		\$2,833,500.00	\$2,835,132.53	\$	\$26,467,348.89
State University	294,469.00	13,153.04				235,368.09	11.50	452,990.13
Agr. Col.—Morrill	677,152.70	11,025.46				164,176.75		\$22,354.91
Agr. Col.—Second	412,706.30	9,167.56				111,371.24		533,245.70
School of Mines	636,637.80	40,563.80				309,185.36		996,328.96
State Normal Schools	708,252.40	14,602.30				417,341.41		1,140,196.11
Deaf and Dumb Asylum	371,964.50	5,846.47				156,634.77		534,445.74
State Reform School	372,123.40	2,812.71				140,918.92		516,455.09
Capitol Buildings	1,325,146.76	25,443.55				3,097.39		1,351,190.25
Soldiers' Home	12,756.10							15,853.49
O. H. & T. B. Society	650.00	317.38						967.38
Veterans' Memorial				\$6,881,000.00				
Montana Trust & Legacy				* 203,374.03		32,088.26	14,752.61	47,740.87
TOTALS	\$50,837,605.10	\$1,358,950.45	\$3,458,063.14	\$7,084,374.03	\$2,833,500.00	\$5,236,558.34	\$1,077,776.04	\$8,992,473.69
								\$71,901,591.21

\* Premiums paid on U. S. Bonds.

**TABLE NO. X**  
**ACCOUNTS CONSTITUTING**  
**MONTANA TRUST AND LEGACY FUND**

FUND	Amount in Fund June 30, 1941	Amount in Fund June 30, 1942
Public School Permanent.....	\$2,026,125.96	\$7,165,488.29
State University Permanent .....	135,537.42	265,373.05
Agricultural College—Morrill Permanent.....	83,743.23	380,408.13
Agricultural College—Second Permanent.....	85,602.78	125,352.27
School of Mines Permanent.....	168,692.23	381,566.97
State Normal School Permanent.....	58,385.71	196,410.19
Deaf and Dumb Asylum Permanent.....	45,128.87	103,318.47
Reform School Permanent.....	38,347.54	93,923.04
Soldiers' Home Permanent.....	1,133.12	1,531.75
Ryman E. & S. Library.....	4,240.87	4,848.05
Ryman Fellowship.....	6,062.69	6,930.09
W. W. Dixon Endowment.....	19,445.28	20,139.20
Escheated Estates.....	207,658.62	215,629.89
Orphans Home & T. B. Society.....	3,335.03	3,476.66
Senator Walsh Endowment.....	5,000.00	5,000.00
Land Office Unclaimed Balance.....	575.99	586.75
University Scholarships & Prizes:		
Aber Memorial .....	1,050.00	1,050.00
Bennett Prize .....	707.50	707.50
Bonner Scholarship .....	6,570.00	6,570.00
Class of 1904.....	502.00	502.00
Duniway Scholarship .....	400.00	400.00
Joyce Memorial .....	251.00	251.00
Kaimin Scholarship .....	1,920.00	1,920.00
Soldiers' Home Welfare.....	5,978.67	6,090.39
State Prison Inmates' Fund.....	5,000.00	5,000.00
<b>TOTAL .....</b>	<b>\$2,911,394.51</b>	<b>\$8,992,473.69</b>



TABLE NO. XI  
TOTAL GROSS INCOME OF THE DEPARTMENT, 1934-1942  
Classified as to Source

SOURCE	Year Ending June 30, 1934	Year Ending June 30, 1935	Year Ending June 30, 1936	Year Ending June 30, 1937	Year Ending June 30, 1938	Year Ending June 30, 1939	Year Ending June 30, 1940	Year Ending June 30, 1941	Year Ending June 30, 1942
Fees and Penalties.....	%	23,142.21%	16,049.05%	17,092.88%	15,949.19%	%	14,966.88%	12,366.63%	23,132.40
Adm. & Grazing Lease									
Rentals.....	227,614.43	233,544.38	290,252.42	184,851.36	297,210.47	278,364.93	355,126.16	357,738.40	519,358.65
Oil and Gas.....									
Lease Rentals.....	31,924.77	27,929.97	55,844.59	26,283.46	33,620.24	25,869.87	27,476.01	27,913.57	41,957.14
Int. on Land Sales.....	92,254.95	117,949.99	118,153.96	82,732.77	72,792.20	95,510.98	79,431.41	101,210.09	71,503.90
Int. and Other In- come from Farm									
Mortgages.....	100,600.06	130,235.98	146,491.02	95,680.25	107,038.64	136,314.15	138,040.33	156,970.93	183,914.25
Interest on Bonds.....	538,699.13	571,075.25	593,711.52	572,743.53	547,380.94	533,228.70	599,767.51	618,792.16	846,966.67
Int. on State Gen. Fund Warrants.....	2,515.07	16,873.86							
Int. on Bank Deposits	13,143.88	7,071.55							
Int. on University			4,146.30	1,833.84					
Millage Warrants.....									
Grazing Fees Col- lected by State	8,297.44	3,840.86							
Forester.....									
Soil Conservation & Parity Payments	6,724.94	8,563.12	7,586.98	8,937.85	10,323.95	9,976.25	14,152.67	15,975.12	8,911.12
on School Lands.....									
Elec. Energy Tax.....	16,053.99	24,449.65	22,383.17	21,698.18	25,975.56	32,286.36	45,813.83	14,931.00	5,252.79
Boxing Match Re- ceipts from counties		1,578.74		6,986.25	29,788.54	28,088.16	30,118.14	36,222.16	
(Vet. Memorial)									
Tax Receipts.....	680.10	1,439.81	1,476.34	522.09	205.24	207.28	461.06	743.71	362.60
(Capitol Bldg.).....									
Income Tax.....									
Inheritance Tax.....	26,885.26	19,379.26							
Telegraph Tax.....	3,548.32	80,405.87							
Agri. Exp. Station.....		23.01							
Refunds & Transfers		145.25							
TOTALS.....	\$1,085,334.20	\$1,267,699.79	\$1,236,095.95	\$1,019,308.40	\$1,050,325.94	\$1,153,151.60	\$1,447,475.93	\$1,497,464.18	\$1,807,920.69

**TABLE NO. XII**  
**TOTAL RECEIPTS FOR THE PERMANENT FUNDS, 1934-1942**  
 (Not Including Repayments)  
 Classified As to Source

SOURCE	Year Ending June 30, 1934	Year Ending June 30, 1935	Year Ending June 30, 1936	Year Ending June 30, 1937	Year Ending June 30, 1938	Year Ending June 30, 1939	Year Ending June 30, 1940	Year Ending June 30, 1941	Year Ending June 30, 1942
Land Sales, first payments.....	\$ 2,688.83	\$ 1,665.00	\$ 66,844.05	\$ 74,389.83	\$ 20,192.00	\$ 260.65	\$ 15,329.33	\$ 20,391.58	\$ 30,342.78
Rights-of-way .....	4,897.15	4,690.00	5,017.21	5,097.06	3,236.71	4,486.72	8,442.13	3,923.92	7,246.45
5% of total annual income for Public Schools.....	41,632.83	52,285.69	52,992.23	44,116.11	42,368.60	46,522.60	45,495.63	46,568.00	72,958.58
5% of U. S. Land Sales in Mont. Installments on Land Sales.....	603.84	22.95	425.06	447.71	447.71	493.28	74.09	120.29	123.388.35
Timber Sales by State Forester.....	78,079.10	137,121.48	103,184.62	79,328.20	60,316.70	61,227.33	79,374.07	119,087.71	154,796.16
Oil and Gas Royalties.....	37,128.95	29,734.06	33,437.39	35,474.70	54,696.14	27,292.74	47,676.53	99,064.38	94,006.62
Coal, Sand & Gravel Royalties.....	44,289.94	50,286.88	85,272.65	64,436.68	49,433.57	35,553.43	35,162.46	86,298.23	6,048.69
	2,505.99	2,432.19	27,172.50	5,565.39	5,601.33	35,618.39	4,789.80	5,372.23	
<b>TOTALS.....</b>	<b>\$211,827.63</b>	<b>\$278,148.25</b>	<b>\$374,262.71</b>	<b>\$308,408.17</b>	<b>\$235,693.29</b>	<b>\$189,655.24</b>	<b>\$256,284.04</b>	<b>\$381,326.36</b>	<b>\$489,387.63</b>

The above table shows only the new receipts, or actual additions to the permanent funds. For figures as to the total receipts, for the last two fiscal years, including repayments on mortgages and bonds, see Tables III and IV.

TABLE NO. XIII  
COMPARISON OF PERMANENT ASSETS—1934-1942

Kind of Asset	Year Ending June 30, 1934	Year Ending June 30, 1935	Year Ending June 30, 1936	Year Ending June 30, 1937	Year Ending June 30, 1938	Year Ending June 30, 1939	Year Ending June 30, 1940	Year Ending June 30, 1941	Year Ending June 30, 1942
<b>Val. of Unsold Lands at \$10 per Acre.</b>	\$18,594,104.90	\$49,751,564.50	\$49,651,636.10	\$50,150,404.50	\$50,404,317.30	\$50,696,617.40	\$50,831,454.20	\$50,964,817.40	\$50,837,005.10
Deferred Pay--									
Bills on Land									
Sales (C. P. S.)	3,393,197.69	3,065,639.96	3,074,115.25	2,507,843.79	2,204,547.24	1,820,716.86	1,625,217.29	1,401,990.60	1,358,950.45
Farm Mfg. Lns.	4,270,592.97	4,233,866.27	4,191,352.33	4,168,677.75	4,153,068.92	3,957,985.89	3,817,646.49	3,686,445.62	3,458,063.14
U. S. Bonds	1,088,500.00	1,088,500.00	1,591,000.00	1,095,000.00	1,350,000.00	1,600,000.00	2,600,000.00	4,812,993.56	7,084,374.03
State of Mont. Bonds	3,988,599.75	3,987,719.50	3,984,972.00	3,746,972.00	3,746,019.25	3,618,252.50	3,074,000.00	2,980,500.00	2,833,500.00
County, City & Sch. Bds. Bonds	7,519,479.57	7,024,379.91	7,828,664.59	8,102,631.41	8,616,552.86	8,618,499.69	8,301,240.96	7,668,693.56	5,236,558.34
Cash with State Treas.	449,029.62	1,270,316.12	415,602.30	1,226,723.93	735,854.11	827,702.07	1,298,262.75	119,638.48	1,092,540.05
<b>TOTALS.</b>	\$63,303,473.80	\$70,421,986.26	\$70,707,342.37	\$70,398,253.38	\$71,210,359.65	\$71,199,774.41	\$71,547,821.69	\$71,635,079.22	\$71,901,591.21

For purposes of comparison all unsold state lands have been, and still are, carried at a book value of \$10.00 per acre. By Act of Congress, state lands may now be sold at a minimum of \$5.00 per acre.

TABLE NO. XIV  
DETAIL OF INVESTMENTS MADE FROM JULY 1, 1940 TO JUNE 30, 1941

By Whom Issued	County	Kind of Bond	Amount	Interest Rate	Date of Pmt. Order	Fund Invested	Date of Issue	Date Due
School District No. 6	Flathead	Amort. Refunding	\$ 30,344.42	2 1/2 %	7-1-40	Public School	6-1-40	6-1-54
School District No. 1	Lewis & Clark	Aeronautics Bldg.	6,000.00	2 1/2 %	7-2-40	Public School	7-1-40	7-1-50
Col. Falls H. S. District	Flathead	Amort. Bldg.	20,000.00	2 1/2 %	7-8-40	Public School	6-1-40	6-1-60
School District No. 17	Roosevelt	Amort. Refunding	18,540.00	3 1/2 %	7-8-40	State Normal	5-17-50	5-17-50
City of Glasgow	Valley	Civic Center	5,000.00	3 1/2 %	7-15-40	University	6-1-40	6-1-60
Town of Medicine Lake	Sheridan	Sewer	3,000.00	4 %	7-18-40	State Normal	6-1-40	6-1-60
School District No. 19	Gallatin	Amort. Refunding	2,000.00	3 1/2 %	7-20-40	Soldiers' Home	6-30-40	6-30-48
United States Treasury	Mineral	Amort. Building	500,000.00	2 1/2 %	7-26-40	Public School	12-15-65	12-15-65
School District No. 10	Yellowstone	Amort. Building	4,000.00	3 1/2 %	7-31-40	University	7-1-40	7-1-60
School District No. 15	Lewis & Clark	Aeronautics Bldg.	27,000.00	2 1/2 %	8-5-40	State Normal	6-1-40	6-1-58
Highwood H. S. Dist.	Bozeman	Amort. Building	9,000.00	2 1/2 %	8-6-40	Public School	7-1-40	7-1-50
School District No. 31	Rosebud	Amort. Refunding	25,000.00	3 1/2 %	8-6-40	Public School	7-1-40	7-1-60
School District No. 18	Pondera	Amort. Building	11,000.00	2 1/2 %	8-30-40	School of Mines	7-1-40	7-1-50
School District No. 18	Pondera	Amort. Building	10,000.00	2 1/2 %	8-30-40	Agr. Col.—Morrill	7-9-40	7-9-60
School District No. 32	Stillwater	Amort. Refunding	10,000.00	3 1/2 %	8-30-40	Public School	3-1-40	3-1-50
School District No. 32	Stillwater	Amort. Refunding	10,000.00	3 1/2 %	8-30-40	Deaf and Dumb	3-1-40	3-1-50
School District No. 32	Stillwater	Amort. Refunding	10,000.00	3 1/2 %	8-30-40	Mont. Tr. & Leg.	3-1-40	3-1-50
School District No. 32	Stillwater	Amort. Refunding	10,000.00	3 1/2 %	8-30-40	Public School	7-1-40	7-1-50
School District No. 1	Lewis & Clark	Aeronautics Building	15,000.00	2 1/2 %	9-4-40	Public School	6-1-40	6-1-50
School District No. 30	Teton	Amort. Refunding	17,150.00	2 1/2 %	9-11-40	Public School	7-1-40	7-1-50
County of Dawson		H. S. Refunding	20,000.00	2 1/2 %	10-9-40	Public School	7-1-40	7-1-50
Col. Falls H. S. District	Flathead	Amort. Building	6,000.00	2 1/2 %	10-18-40	University	7-1-40	7-1-50
School District No. 1	Lewis & Clark	Aeronautics Building	40,000.00	3 1/2 %	10-28-40	Public School	9-1-40	9-1-60
Town of Townsend	Broadwater	Sewer	15,000.00	3 1/2 %	10-28-40	University	9-1-40	9-1-60
Town of Townsend	Broadwater	Sewer	10,000.00	3 1/2 %	10-28-40	State Normal	9-1-40	9-1-60
Town of Townsend	Broadwater	Sewer	20,000.00	3 1/2 %	10-28-40	State Normal	9-1-40	9-1-60
Col. Falls H. S. District	Flathead	Amort. Building	10,000.00	2 1/2 %	11-1-40	Public School	6-1-40	6-1-60
School District No. 1	Lewis & Clark	Aeronautics Building	9,000.00	2 1/2 %	11-4-40	Agr. Col.—Morrill	7-1-40	7-1-50
School District No. 1	Lewis & Clark	Aeronautics Building	3,000.00	2 1/2 %	11-4-40	Agr. Col.—Second	7-1-40	7-1-50
School District No. 1	Lewis & Clark	Aeronautics Building	12,000.00	2 1/2 %	11-27-40	Public School	7-1-40	7-1-50
Joint District No. 38	Flathead & Lake	Aeronautics Building	5,649.81	3 %	11-27-40	Public School	12-1-40	12-1-53
Town of Townsend	Broadwater	Amort. Refunding	10,000.00	3 1/2 %	12-5-40	Public School	9-1-40	9-1-60
School District No. 20	Wheatland	Sewer	10,000.00	3 1/2 %	12-5-40	Public School	6-5-40	6-5-50
School District No. 20	Wheatland	Amort. Building	2,871.85	3 1/2 %	12-5-40	Mont. Tr. & Leg.	9-1-40	9-1-60
United States Treasury	Broadwater	Water Works Rfdg.	230,000.00	2 1/2 %	12-20-40	Public School	11-1-40	11-1-50
Town of Townsend	Broadwater	Amort. Building	14,500.00	3 1/2 %	12-27-40	Public School	6-1-40	6-1-60
Col. Falls H. S. District	Flathead	Amort. Building	19,611.57	2 1/2 %	1-2-41	State Normal	6-1-40	6-1-60

TABLE NO. XIV—(Continued)

By Whom Issued	County	Kind of Bond	Amount	Interest Rate	Date of Pmt. Order	Fund Invested	Date of Issue	Date Due
United States Treasury Joint District No. 24	Gallatin & Broadwater	Amort. Refunding	250,000.00	2 3/4 %	1-4-41	Public School		1945
School District No. 35	Cascade	Amort. Building	13,500.00	3 %	1-6-41	Deaf and Dumb	1-1-41	1-1-50
United States Treasury			2,295.00	3 1/2 %	1-7-41	Veterans' Mem.	12-15-40	12-15-60
Col. Falls H. S. District	Flathead	Amort. Building	551,697.25	2 1/2 %	3-27-41	Mont. Tr. & Leg.		1965
School District No. 159	Petroleum	Amort. Building	20,000.00	2 1/2 %	4-14-41	Mont. Tr. & Leg.	6-1-40	6-1-60
School District No. 63	Custer	Amort. Building	2,000.00	2 3/4 %	5-8-41	Mont. Tr. & Leg.	12-31-40	12-31-60
U. S. Defense Savings Bonds—Series G			12,000.00	2 3/4 %	5-14-41	Mont. Tr. & Leg.	1-1-41	1-1-61
Joint District No. 32	Missoula & Granite	Amort. Building	50,000.00	2 1/2 %	5-22-41	Mont. Tr. & Leg.	5-1-41	5-1-53
School District No. 9	Lewis & Clark	Amort. Refunding	22,900.00	2 1/2 %	6-2-41	Mont. Tr. & Leg.	6-1-41	6-1-61
United States Treasury			30,000.00	2 1/2 %	6-7-41	Mont. Tr. & Leg.	6-7-41	6-7-56
United States Treasury			1,195,830.00	2 1/2 %	6-14-41	Mont. Tr. & Leg.		1958
School District No. 5	Richland	Amort. Refunding	517,343.75	2 1/2 %	6-27-41	Mont. Tr. & Leg.		1958
City of Conrad	Pondera	Serial Refunding	31,000.00	2 1/2 %	6-27-41	Mont. Tr. & Leg.	7-1-41	7-1-56
School District No. 13	Hill	Amort. Building	131,000.00	2 1/2 %	6-30-41	Mont. Tr. & Leg.	7-1-41	7-1-61
			1,000.00	2 3/4 %	6-30-41	Mont. Tr. & Leg.	1-2-41	1-2-61
TOTAL AMOUNT INVESTED			\$4,223,133.65					

TABLE NO. XV.

DETAIL OF INVESTMENTS MADE FROM JULY 1, 1941 TO JUNE 30, 1942

By Whom Issued	County	Kind of Bond	Amount	Interest Rate	Date of Pmt's Order	Fund Invested	Date of Issue	Date Due
School District No. 40	Missoula	Amort. Building	\$ 12,700.00	2 1/4 %	7-9-41	Mont. Tr. & Legacy	6-20-41	6-30-61
Whitefish H. S. District	Flathead	Amort. Refunding	31,941.44	2 1/4 %	7-28-41	Mont. Tr. & Legacy	6-20-41	6-30-55
Town of Wibaux	Wibaux	Water Works Bldg.	17,112.33	2 1/2 %	8-7-41	Mont. Tr. & Legacy	7-21-41	7-1-55
School District No. 55	Fallon	Amort. Refunding	17,544.32	3 1/4 %	8-11-41	Mont. Tr. & Legacy	7-21-41	7-1-55
City of Cut Bank	Glacier	City Airport	17,500.00	3 1/4 %	8-14-41	Mont. Tr. & Legacy	8-1-41	8-1-61
School District No. 15	Clarke	Amort. Building	20,000.00	3 1/4 %	8-14-41	Mont. Tr. & Legacy	9-2-41	9-2-61
School District No. 14	Toole	Serial Building	18,000.00	2 1/2 %	8-23-41	Mont. Tr. & Legacy	7-1-41	7-1-61
United States Treasury			2,624,557.50	2 1/2 %	8-23-41	Mont. Tr. & Legacy	1938	
Town of Belgrade	Gallatin	Water Works Bldg.	18,000.00	3 1/2 %	9-2-41	Mont. Tr. & Legacy	7-15-41	7-15-51
School District No. 19	Shelby	Amort. Building	8,000.00	3 1/2 %	9-12-41	Mont. Tr. & Legacy	5-12-41	5-12-51
School District No. 16	Granite	Amort. Building	7,100.00	2 3/4 %	9-12-41	Mont. Tr. & Legacy	7-1-41	7-1-51
City of Laurel	Yellowst'n	Sewer	522,656.25	2 1/4 %	9-22-41	Mont. Tr. & Legacy	7-1-41	7-1-56
United States Treasury			10,000.00	2 1/2 %	10-1-41	Mont. Tr. & Legacy	1938	
School District No. 3	Cascade	Amort. Building	516,875.00	2 1/2 %	10-2-41	Mont. Tr. & Legacy	7-21-41	7-21-61
United States Treasury			5,200.00	2 3/4 %	10-17-41	Mont. Tr. & Legacy	1942	
School District No. 12	Richland	Amort. Refunding	26,108.14	4 %	10-24-41	Mont. Tr. & Legacy	9-1-41	9-1-47
School District No. 9	Musselshell	Amort. Refunding	1,000.00	3 1/2 %	11-3-41	Mont. Tr. & Legacy	10-1-41	10-1-51
School District No. 10	Mineral	Amort. Building	4,488.16	3 1/2 %	11-15-41	Mont. Tr. & Legacy	7-1-41	7-1-51
School District No. 28	Chouteau	Amort. Refunding	922.19	3 1/2 %	11-29-41	Veterans' Mem.	12-1-41	12-1-51
School District No. 33	Rosebud	Amort. Refunding	856.00	3 1/2 %	12-3-41	Mont. Tr. & Legacy	10-1-41	10-1-51
School District No. 32	Gld'n Valley	Amort. Refunding	620,468.75	2 1/2 %	12-11-41	Veterans' Mem.	9-15-41	9-15-50
United States Treasury			15,000.00	2 1/2 %	12-18-41	Mont. Tr. & Legacy	7-21-41	7-21-61
School District No. 3	Cascade	Amort. Building	36,428.95	2 3/4 %	1-8-42	Mont. Tr. & Legacy	1-1-42	1-1-52
Garfield Cnty H. S. Dist.	Park	Amort. Refunding	6,110.98	2 1/2 %	1-8-42	Mont. Tr. & Legacy	12-15-41	6-15-56
School District No. 53	Cascade	Amort. Refunding	54,000.00	1 3/4 %	1-14-42	Mont. Tr. & Legacy	7-1-41	7-1-61
City of Great Falls		Fire Department						
United States Defense			50,000.00	2 1/2 %	1-21-42	Mont. Tr. & Legacy	7-1-42	7-1-54
Savings Bonds, Series G			13,265.26	2 3/4 %	1-20-42	Mont. Tr. & Legacy	1-15-42	1-15-55
City of Philipsburg	Granite	Amort. Refunding	15,000.00	2 1/2 %	2-11-42	Mont. Tr. & Legacy	1-1-42	1-1-52
School District No. 5	Cascade	Amort. Building	6,000.00	2 1/2 %	2-16-42	Mont. Tr. & Legacy	1-1-42	1-1-52
Town of Fairview	Richland	Refunding	4,897.72	2 1/2 %	3-6-42	Mont. Tr. & Legacy	1-1-42	1-1-52
School District No. 3	Cascade	Amort. Building	9,795.44	2 1/2 %	4-1-42	Mont. Tr. & Legacy	7-21-41	7-21-61
School District No. 3	Cascade	Amort. Building	17,024.79	2 1/2 %	4-1-42	Mont. Tr. & Legacy	7-21-41	7-21-61
City of Lewis & Clark	Fergus	Fire Department	250,000.00	2 1/2 %	4-20-42	Mont. Tr. & Legacy	6-1-41	6-1-56
United States Treasury			250,000.00	2 1/2 %	4-23-42	Mont. Tr. & Legacy	1947	
United States Treasury			500,000.00	2 1/2 %	4-27-42	Mont. Tr. & Legacy	1947	
United States Treasury			24,330.00	2 1/2 %	5-7-42	Mont. Tr. & Legacy	5-5-42	5-5-67
City of Shelby	Toole	Refunding	10,000.00	2 1/2 %	5-25-42	Mont. Tr. & Legacy	3-1-42	3-1-62
City of Shelby	Toole	Refunding	10,000.00	2 1/2 %	5-25-42	Mont. Tr. & Legacy	3-1-42	3-1-62
School District No. 16	Roosevelt	Airport & City Hall	9,843.59	2 1/2 %	5-20-42	Mont. Tr. & Legacy	6-1-42	6-1-52
TOTAL AMOUNT INVESTED.....			\$5,759,327.01					

**TABLE NO. XVI**  
**SUMMARY OF LAND SALES FOR THE YEAR ENDING JUNE 30, 1941**

County	Acres Sold		Total Sales Price	Average Price Per Acre
	Public Schools	Total		
Pondera .....	3,408.29	3,408.29	\$42,979.48	
Ravalli .....	439.00	439.00	2,211.00	
Sanders .....	101.40	101.40	960.10	
<b>TOTALS.....</b>	<b>3,948.69</b>	<b>3,948.69</b>	<b>\$46,150.58</b>	<b>\$11.69</b>

In addition to the above sales of school land, there were sold during this period 652.73 acres of mortgage land at a total purchase price of \$5,099.76.

**TABLE NO. XVII**  
**SUMMARY OF LAND SALES FOR THE YEAR ENDING JUNE 30, 1942**

County	Acres Sold					Total Sales Price	Ave. Price Per Acre
	Pub. Schools	School of Mines	Normal Schools	Pub. Bldgs.	Total		
Beaverhead .....	1,280.00				1,280.00	\$ 9,600.00	
Carter .....	136.87				136.87	684.35	
Chouteau .....	2,240.00			160.00	2,400.00	15,520.00	
Glacier .....	1,280.00			119.65	1,399.65	16,543.10	
				(99 lots)		4,517.50	
Jefferson .....	480.00				480.00	2,400.00	
Liberty .....	3,080.00				3,080.00	22,160.00	
Madison .....		304.65			304.65	1,523.25	
Sanders .....	456.99				456.99	3,369.90	
Teton .....	3,421.53		120.00		3,541.53	41,428.28	
Toole .....	3,527.08			40.00	3,567.08	25,821.40	
				(7 lots & 4 blocks)		2,100.00	
<b>TOTALS.....</b>	<b>15,902.47</b>	<b>304.65</b>	<b>120.00</b>	<b>319.65</b>	<b>16,646.77</b>	<b>\$145,667.78</b>	<b>\$8.35</b>

In addition to the above sales of school land, there were sold during this period 19,979.43 acres of mortgage land at a total purchase price of \$153,380.94.





TABLE NO. XVIII—(Continued)

Fiscal Year Ending June 30	ACRES										Total Sales Price	Aver- age Price Per Acre
	Public Schools	Uni- versity	Agr. Col. Morrill	Agr. Col. Second	School of Mines	Normal Schools	Deaf & Dumb Asylum	Reform School	Public Bldgs.	Misc. Grants		
1931	1,431.00										18,546.00	12.13
1932	1,346.50										18,829.10	14.00
1933											None	
1934	808.32								17.00		6,755.33	8.18
1935	280.00										1,660.00	5.93
1936	20,786.13					18.56		161.70	1,565.70		275,658.12	11.75
1937	16,740.79		240.00		680.00		80.00		290.00		165,417.45	9.24
1938	1,950.90				880.00						13,792.00	7.07
1939	317.61						250.81	42.81	10.39		5,538.75	8.91
1940	4,662.41					45.70					64,880.23	13.75
1941	3,948.69				304.65	120.00					40,150.58	11.49
1942	15,902.47								319.65		139,050.28	8.35
TOTALS	1,391,617.17	31,894.91	33,001.20	12,465.20	53,112.35	36,156.05	16,344.65	15,032.62	67,902.25	307.74	1,657,822.14	\$25,332.688.01 \$15.28

• Soldiers' Home Grant.

§ Orphans Home and T. B. Society.

This summary shows only the results of the sales as they are made, and does not take into account subsequent cancellations of certificates of purchase. It will be noted that since 1933, the average sales price has in some years dropped below \$10.00 per acre, which was the minimum originally fixed by the Enabling Act. By Act of Congress amending the Enabling Act and accepted by the State in the 1933 Legislative Session, grazing land may now be sold for \$5.00 per acre.



TABLE NO. VII—(Continued)

[illegible]

Soldiers' Home Grant  
Northern Montana Training School and Agricultural Experiment Station  
Military Camp, now used as Agricultural Experiment Station  
Orphan's Home and Tuberculosis Sanitarium  
Morrison Cave State Park  
Gift of Ernest White for State Park purposes  
Miscellaneous parcels belonging to State

CLEAN) TOTAL

5,125.113.3%

TABLE NO. XX  
OPERATION OF UNSOLD LAND ACCOUNT JULY 1, 1940 TO JUNE 30, 1942

COUNTY	Acres Sold	Acres Reinstated Under C. P.	Acres Cancelled Under C. P.	Acres Acquired by Ex- Change or Cancelled Patent	Total Deduc- tions	Total Addi- tions
Beaverhead	1,280.00		640.00		1,280.00	640.00
Big Horn			1,040.00			1,040.00
Blaine			319.27		136.87	319.27
Carbon	136.87					
Carter						
Cascade				512.68		
				{ UNIV 34.00		
Chouteau	2,240.00		2,270.40		2,400.00	546.68
	150.00		1,033.92		80.06	2,270.40
Daniels		80.06	640.00		720.00	1,033.92
Dawson		720.00	2,636.42		320.00	640.00
Deer		320.00				2,636.42
Flathead			{ ACI 280.00			
			{ ACB 10.00	40.00		360.00
Gallatin	1,280.00		42.10		1,339.65	42.10
Glacier	119.65					
Golden Valley						
Granite						
Hill		320.00				960.00
			{ SNS 160.00			767.60
			{ ACB 18.56			
Jefferson	480.00		120.00	7.92	320.00	186.48
Judith Basin		320.00	4,027.21		480.00	120.00
			{ SM 160.00		320.00	
			585.59			4,187.21
Lake	3,080.00		480.00		3,080.00	585.59
Liberty			320.00	61.00		480.00
McCone	304.05	PB 160.00			464.65	381.00
Madison						
Musselshell			160.00			160.00
Park			300.00			300.00
Phillips			514.83			514.83
Pondera		800.00	513.85		4,208.29	513.85
Powder River	3,408.29		277.90			277.90
Powell			640.00			640.00
Prairie			160.00			160.00

TABLE NO. XV—(Continued)

COUNTY	Acres Sold	Acres Reinstated Under C. P.	Acres Cancelled Under C. P.	Acres Acquired by Ex- Change or Cancelled Patent	Total Deduct- tions	Total Addi- tions
Ravalli	439.00			1,112.67	439.00	1,112.67
Richland				640.00		640.00
Rosebud				590.13	558.39	590.13
Sanders	558.39			1,920.00	439.00	1,920.00
Sheridan		439.00			639.00	
Stillwater		639.00			320.00	
Sweet Grass		320.00				
Teton				400.00		400.00
	(SNS	3,421.53				
	120.00			1,920.00	3,541.53	1,920.00
Toole	3,527.08					
	40.00			158.20	3,567.08	638.92
Treasure				160.00		160.00
Valley				240.00		240.00
Wheatland				1,040.00		1,360.00
Yellowstone				320.00		150.45
TOTALS	20,595.46	4,118.06	27,985.78	909.64	24,713.52	28,805.42
Net Additions to Acreage of Unsold Lands						24,713.52
						4,181.90

All acreages are School Land unless otherwise indicated.

**TABLE NO. XXI**  
**EASEMENT DEEDS TO STATE LANDS ISSUED FROM**  
**JULY 1, 1940 TO JUNE 30, 1942**  
 (Numbers D-2486 to D-2656, inclusive)

For What Purpose	No. of Deeds Issued	Acres	Compensation	Fees	Average Price Received Per Acre
Rights of Way for State Highways and County Roads..... (2 of above issued for benefit of land)	83	612.55	\$ 6,845.64	\$415.00	\$11.00 plus
Telephone, Telegraph, Power, Gas Pipe Lines and Meter Station Sites.....	63	361.10	\$ 5,162.50	\$320.00	\$14.00 plus
School House, Airport, Cemetery and Dump Ground Sites....	7	126.78	\$ 914.60	\$ 35.00	\$ 7.00 plus
Reservoirs, Canals, Farm Laterals, City Water Pipe Lines and Extensions ..... (1 reservoir issued for water development)	17	169.02	\$ 920.35	\$ 85.00	\$ 5.00 plus
<b>TOTALS.....</b>	<b>170</b>	<b>1,269.45</b>	<b>\$13,843.09</b>	<b>\$855.00</b>	

All applications for right of way easements are passed upon by the State Board of Land Commissioners. Approximately 15 applications for easements are now pending.

Two applications have been cancelled by applicants.

TABLE NO. XXII  
STATE LAND AGRICULTURAL AND GRAZING LEASES IN EFFECT JUNE 30, 1942

Name of Grant	Grazing Acreage	Annual Grazing Rental	Agricultural Acreage	Annual Agricultural Rental	Acres Under Crop-Share Lease
Public School	3,734,637.80	\$159,425.85	58,382.69	\$35,652.07	327,752.03
University	15,606.69	833.32	256.86	177.00	1,420.00
Agricultural—Morrell Grant	56,843.35	4,226.54	320.00	174.00	16.00
Agricultural—Second Grant	18,091.08	845.05			
School of Mines	39,185.72	1,807.54	551.00	365.50	3,241.46
State Normal School	46,641.93	2,395.22	125.00	64.75	498.00
Deaf and Dumb Asylum	26,405.03	1,395.70			288.00
State Reform School	25,986.92	1,461.70	80.00	57.00	80.00
Capitol Buildings	51,344.76	2,528.37	370.50	254.10	966.00
Soldiers' Home	1,296.64	53.45			
O. H. & T. B. Society		10.00			
State Prison Site			20.00	150.00	
General Fund	36.62	370.00			
TOTALS	4,016,046.54	\$175,412.74	60,117.05	\$36,895.02	334,261.49
Total Acreage under Grazing Leases				4,016,046.54	
Total Annual Grazing Rental				60,117.05	\$175,412.74
Total Acreage under Agriculture Leases (except Crop-Share Leases)					36,895.02
Total Annual Agricultural Rental (except Crop-Share Leases)					\$212,307.76
TOTALS				4,076,163.59	
Acreage under Crop-Share Leases				334,261.49	
Total Acreage under Lease				4,410,425.08	
Minimum Share Rental—One-fifth of all crops raised, delivered in elevator.					
Average Grazing Rental Per Acre				\$0.04367	
Average Cash Agricultural Rental Per Acre				\$0.61129	
Total Number of Leases in Effect, including 1,515 Crop-Share Leases				7,583	

This includes 321,729.54 acres at a total annual rental of \$8,518.50, which is under lease to Co-operative State Grazing Districts. As grazing districts are required to lease all the state-owned land within their own boundaries, regardless of its value, the policy has been adopted of leasing the lands in a district at a flat rate, which may be somewhat below the average grazing rate on state lands leased to private individuals. This has resulted in cutting the average rental received on grazing lands but has placed many acres, which have previously lain idle and returned no revenue whatever to the State, in supervised grazing use.

**LEASING OF STATE LANDS FOR OIL AND GAS, COAL AND  
OTHER MINERALS  
TABLE NO. XXIII**

**OIL AND GAS, COAL AND MINING LEASES IN EFFECT  
JUNE 30, 1942  
OIL AND GAS LEASES**

Grant	Number	Total Acreage Leased	Annual Rental Charged	Leases Under Gas Unit Plan of Operation		Other Leases Producing Oil or Gas	
				No.	Acreage	No.	Acreage
Public School							
Lands .....	125	50,470.90	\$38,116.15	28	12,160.00	34	11,705.61
Farm Loan Lands	17	5,352.85	4,574.60	3	720.00	5	1,600.05
Public Bldg. Lands	3	392.29	323.71			1	118.00
Totals.....	145	56,216.04	\$43,014.46	31	12,880.00	40	13,423.66
Total Producing Leases, 71; Total Producing Acreage, 26,303.66.							

The leasing of state lands for oil and gas exploration and development is governed by Sections 1882.1 to 1882.24, Revised Codes of Montana, 1935, and Chapter 109 of the 1941 Session Laws.

Under this legislation, oil and gas leases on state lands are granted for a period not exceeding ten years and as long thereafter, during the term of twenty years commencing with the date of the lease, as oil or gas in commercial quantities is produced from the land. The minimum annual rental is fixed at the flat rate of 75 cents per acre, but with a minimum total rental under each lease of \$50.00 per annum. No oil and gas lease shall include more than one section of land, but there is no limitation as to the number of leases that may be issued to a lessee.

The statutes require that at least one well shall be drilled under each lease within two years after the date of its issue, but power and authority is given to the State Board of Land Commissioners to extend the time for the commencement or completion of such drilling from year to year not exceeding ten years from the date of the lease upon such terms and conditions as the board may determine. It has been the general practice of the board to grant such extension of time upon the payment of a penalty of \$1.00 per acre per annum. Such extension of time for drilling does not release the lessee from the obligation of drilling offset wells.

During the last fiscal year the penalties for failure to drill and for extension of time amounted to \$16,200.70.

In addition to these rentals and penalties for delay in drilling there is reserved to the State a royalty on the oil and gas produced and saved of twelve and one-half per centum of the production. In case of heavy production a graduated scale of higher royalties becomes effective. The royalty on gas is fixed at the flat rate of twelve and one-half per centum, to be sold at a minimum price of 5c per 1,000 cubic feet.

Oil and gas royalties collected for the last fiscal year amount to \$94,606.62, which is the highest amount collected during any year since 1930.



On January 22, 1934, the State Board of Land Commissioners ruled that all lands for which applications for oil and gas leases have been filed shall be advertised for leasing through oral competitive bidding in the Montana Oil and Mining Journal for two weeks. No preference is given at such bidding except in the case of a renewal lease.

The lessee is required to furnish a surety company bond in the amount of \$1,000.00 conditioned for the faithful performance of his obligations under the lease, and the State Board of Land Commissioners reserves the right to increase this bond if found necessary.

All rentals on oil and gas mining leases are credited to the income fund of the school or institution to which the lands belong; all royalties are added to the permanent funds.

### COAL LEASES

Grant	Number	Acreage	Advance Royalty Deposit Required
Public School Lands	14	2,800	\$950.00

The leasing of state lands for coal mining is governed by Sections 1805.38 to 1805.47, Revised Codes of Montana, 1935. Such leases are usually granted for a period of five years. The minimum annual royalty deposit is \$50.00. Such deposit or rental is regarded as payment of royalties for the coal taken and therefore is added to the permanent funds. The minimum royalty is 12½ cents per ton. The lessee is required to furnish a surety company bond in the amount of \$1,000.00 conditioned for the faithful performance of his obligations under the lease.

### MINERAL LEASES

Grant	Number	Acreage	Annual Rental
Public School Lands .....	5	3,654.24	\$425.40
Farm Loan Lands.....	1	40	25.00
Totals.....	6	3,694.24	\$450.40

The leasing of state lands for metalliferous minerals or gems is governed by Chapter 148 of the 1937 Session Laws. Such mineral leases are granted for a period of from one to three years and as long thereafter, during the term of fifteen years commencing with the date of the lease, as metalliferous minerals in commercial quantities are produced from the land. The minimum annual rental is \$25.00 per lease and the minimum royalty is 5 per centum of the gross values. The lessee is required to furnish a surety company bond in the amount of \$1,000.00 conditioned for the faithful performance of his obligations under the lease, and the State Board of Land Commissioners reserves the right to increase this bond if found necessary. The rentals on metalliferous mining leases are credited to the income fund of the school or institution to which the lands belong and the royalties are added to the permanent fund.

**TABLE NO. XXIV**  
**PERMITS IN EFFECT JUNE 30, 1942**  
**MINERAL PROSPECTING**

Grant	Number	Acres
Agricultural College—Second.....	1	639.96
Public Building .....	5	1,835.13
School of Mines .....	2	560.00
Public School .....	63	13,331.50
Public School (Missouri River Bed).....	15	13,288.35
Totals .....	86	29,654.94

Metalliferous mineral prospecting permits are issued for a term of one year with the privilege of renewal for two additional years. The annual fee for such a permit is \$1.00 and entitles the permittee to prospect and explore land but not to remove any minerals except for testing and assay purposes. Such a permit gives the permittee the preference right in securing a mining lease.

#### MISCELLANEOUS

Grant	ACREAGE			
	Coal	Gravel	Sand & Gravel	Total
Public School .....	120.00	1,041.00	559.72	1,720.72
University .....		6.89	627.13	634.20
School of Mines.....			821.27	821.27
Agricultural College— Training School .....		5.00		5.00
State Normal School.....		85.00		85.00
Farm Loan .....		5.00		5.00
Total Acreage.....	120.00	1,142.89	2,008.30	3,271.19
Number of Permits .....	1	21	5	27

Coal mining permits are issued for a term of one year and entitle the permittee to remove not more than 30 tons of coal for the use of himself and family at a charge of \$5.00 and a fee of \$1.00.

Gravel permits are issued at a minimum charge of 3 cents per cubic yard for gravel used for road purposes.

Sand and gravel permits are issued at a minimum charge of 15 cents per cubic yard for building sand and stone.

Applications for all miscellaneous permits must be accompanied by the consent of the surface lessee, if any, of the lands desired.

Coal, sand and gravel royalties collected during the year ending June 30, 1942, amount to \$6,048.69, which is the highest amount recorded.

TABLE NO. XXV

RENTALS AND ROYALTIES ON COAL, OIL AND GAS LEASES  
AND SAND AND GRAVEL PERMITS

Collected from December 1, 1918, to June 30, 1942

Fiscal Year Ending	PERMANENT FUNDS		INCOME FUNDS	
	Coal, Sand & Gravel Rentals and Royalties	Oil & Gas Royalties	Rentals on Oil & Gas Leases	TOTALS
Nov. 30, 1919.....	\$ 11,225.84	\$ None	\$ 15,243.20	\$ 26,469.04
Nov. 30, 1920.....	11,486.53	None	55,901.00	67,387.53
June 30, 1921.....	4,539.74	None	29,601.27	34,141.01
June 30, 1922.....	5,923.20	2,759.71	29,601.27	38,284.18
June 30, 1923.....	5,148.53	5,132.25	83,430.70	93,711.48
June 30, 1924.....	4,239.50	6,905.82	39,832.78	50,978.10
June 30, 1925.....	1,733.25	8,504.18	33,950.00	44,187.43
June 30, 1926.....	2,254.64	185,189.46	32,300.00	219,744.10
June 30, 1927.....	1,334.51	313,997.30	38,260.00	353,591.81
June 30, 1928.....	2,549.45	155,689.97	92,849.78	251,089.20
June 30, 1929.....	2,033.90	138,806.57	56,147.89	196,988.36
June 30, 1930.....	1,810.23	150,471.53	93,279.04	245,560.90
June 30, 1931.....	1,652.41	61,477.33	59,049.36	122,179.10
June 30, 1932.....	2,555.00	61,331.76	34,093.94	97,980.70
June 30, 1933.....	1,880.51	33,701.30	23,671.21	59,253.02
June 30, 1934.....	2,505.99	44,289.94	31,924.77	78,720.70
June 30, 1935.....	2,432.19	50,286.88	27,929.97	80,649.04
June 30, 1936.....	5,018.54	85,272.65	35,844.59	126,135.78
June 30, 1937.....	5,565.59	64,436.68	26,283.46	96,285.73
June 30, 1938.....	5,001.53	47,915.07	33,620.24	86,536.84
June 30, 1939.....	3,518.39	34,728.35	25,809.87	64,056.61
June 30, 1940.....	4,789.80	53,744.36	27,676.01	86,210.17
June 30, 1941.....	5,372.25	81,914.30	27,913.57	115,200.12
June 30, 1942.....	6,048.69	91,963.67	41,957.14	139,969.50
TOTALS .....	\$100,620.21	\$1,678,519.08	\$996,171.06	\$2,775,310.35

Of the oil and gas royalties above listed, \$9,192.40 received during the last eight fiscal years belongs to the Capitol Building Grant and has been expended in payment of outstanding capitol building bonds. The remainder of these oil and gas royalties has come from lands belonging to the public schools and has been added to the Public School Permanent Fund.

**TABLE NO. XXVI**  
**CONDITION OF STATE LOANS AND CONTRACTS**  
**JUNE 30, 1942**

Classification	No. of Loans	Acres	Balance of Unpaid Principal
1. Amortized loans to which State does not have title.....	55	18,520.95	\$ 76,606.89
2. Original loans to which State has title and the lands have not been sold .....	603	206,292.29	1,301,771.25
3. Amortized loans to which State has title and the lands have not been sold .....	149	49,167.83	303,440.34
4. Sales contracts in force.....	510	164,745.64	938,646.68
5. Sales contracts cancelled and the lands not resold.....	528	191,621.41	1,264,351.91
<b>TOTALS.....</b>	<b>1,845</b>	<b>630,353.12</b>	<b>\$3,883,961.50</b>

**TAXES AND COSTS PAID BY STATE and TOTAL FARM LOAN  
INVESTMENT AT CLOSE OF EACH FISCAL YEAR**

Year Ending	Taxes and Costs Paid	Total Investment
Up to June 30, 1922.....	\$ 45,297.66	.....
June 30, 1923.....	75,630.72	.....
June 30, 1924.....	169,566.59	\$4,551,655.03
June 30, 1925.....	137,633.90	4,595,261.19
June 30, 1926.....	45,777.63	4,549,039.77
June 30, 1927.....	)	4,529,084.23
June 30, 1928.....	) 49,177.17	4,433,894.77
June 30, 1929.....	9,166.18	4,342,179.76
June 30, 1930.....	14,009.14	4,301,561.94
June 30, 1931.....	11,162.88	4,270,942.18
June 30, 1932.....	12,488.40	4,273,807.84
June 30, 1933.....	15,667.31	4,281,631.32
June 30, 1934.....	15,844.72	4,270,562.27
June 30, 1935.....	1,053.82	4,233,866.27
June 30, 1936.....	14,559.07	4,191,352.33
June 30, 1937.....	1,431.88	4,168,677.75
June 30, 1938.....	10,510.83	4,153,068.92
June 30, 1939.....	101.56	4,121,785.00
June 30, 1940.....	350.76	4,042,506.36
June 30, 1941.....	832.98	3,996,457.62
June 30, 1942.....	360.46	3,883,961.50
<b>Total Costs Paid.....</b>	<b>\$630,623.66</b>	

## NOTES ON CONDITION OF STATE FARM LOANS

State farm loans generally are in better condition than for many years past. As will be seen by the foregoing table, there are only 55 loans still outstanding to which the State does not have title. One or two of these are so delinquent that they may have to be foreclosed, but the remainder are either in good standing or are being paid on, and unless crop conditions change materially for the worse, the next few years will doubtless see the payment in full of the greater part of these loans.

Some 20,632.16 acres of mortgage land were sold during the past biennium; however, the acreage under sales contract is less than it was two years ago. This is due to payment of contracts in full, and cancellation of hopelessly delinquent certificates. In many cases the cancelled contracts included large amounts of accrued interest, which raised the price of the land far above its actual value; since there is now a ruling that mortgage land may be sold for the amount of the principal only, without including accrued interest, the same lands are now being re-sold at prices nearer their true value. Of the 510 certificates of purchase in effect on June 30, 1942, only 132 were delinquent 60 days or more, and many of those have been brought up to date from the proceeds of this year's crops.

There are 417,213.84 acres of mortgage land under grazing or agricultural lease, as will be seen by the following table, leaving less than 30,000 acres which are not either leased or under sales contract.

All receipts upon mortgage lands go into the State Farm Loan Sinking Fund. After paying any costs in connection with farm loans, the fund is distributed quarterly, on the basis of 2% interest on the farm loan investment paid to the Public School Interest and Income Fund and the remainder transferred as repayment of the investment to the Public School Permanent Fund. The total net receipts for the last two fiscal years have been \$406,430.98, of which \$146,847.63 went into the income fund and \$359,583.35 into the Public School Permanent Fund.

**TABLE NO. XXVII**  
**FARM LOAN LAND AGRICULTURAL AND GRAZING LEASES**  
**IN EFFECT JUNE 30, 1942**

Name of Grant	Grazing Acreage	Annual Grazing Rental	Agri- cultural Acreage	Annual Agricul- tural Rental	Acres Under Crop-Share Lease
Public School .....	286,657.68	\$17,642.00	8,942.28	\$4,944.09	121,613.88
Acres Under Grazing Lease.....			286,657.68		
Annual Grazing Rental.....					\$17,642.00
Acres under Agricultural Lease.....			8,942.28		
Annual Agricultural Rental.....					4,944.09
Acres Under Crop-Share Lease.....			121,613.88		
TOTALS.....			417,213.84		\$22,586.09
Minimum Crop Share Rental—One-fifth of all crops, delivered in elevator.					
Average Grazing Rental per Acre.....					\$0.06154
Average Agricultural Cash Rental per Acre.....					0.55289
Total number of Farm Loan Leases in effect, including 574 crop- share leases .....					1,122

This includes 16,593.60 acres grazing land at an annual rental of \$552.50, which is leased to Cooperative State Grazing Districts. (See Note on Table No. XXII.)

**TABLE NO. XXVIII**  
**ANNUAL APPORTIONMENT OF THE INCOME FROM THE PUBLIC**  
**SCHOOL PERMANENT FUNDS AND OTHER SOURCES TO**  
**THE SCHOOL DISTRICTS OF THE STATE**

Year in Which Apportioned	Total Income	Less 5% Added to Permanent Fund	Amount Apportioned	No. of Persons of School Age	Amount Per Capita
1889 to 1896....\$		\$	\$ 51,027.60	39,252	\$1.30
1897 .....			17,731.56	42,218	.42
1898 .....			28,630.98	46,179	.62
1899 .....			41,561.52	49,478	.84
1900 .....			80,428.50	53,619	1.50
1901 .....			105,842.20	57,212	1.85
1902 .....			138,905.00	61,736	2.25
1903 .....			168,019.80	64,623	2.60
1904 .....			169,786.65	66,583	2.55
1905 .....			183,366.75	69,195	2.65
1906 .....			205,360.60	70,814	2.90
1907 .....			217,494.00	72,498	3.00
1908 .....			227,071.90	73,249	3.10
1909 .....			250,380.00	77,040	3.25
1910 .....			305,793.75	81,545	3.75
1911 .....			266,415.00	88,805	3.00
1912 .....			345,404.50	98,687	3.50
1913 .....			419,096.00	104,774	4.00
1914 .....			513,144.00	114,032	4.50
1915 .....			632,085.00	126,417	5.00
1916 .....			713,291.25	135,865	5.25
1917 .....			810,991.50	147,453	5.50
1918 .....			877,536.00	159,552	5.50
1919 .....			890,873.50	161,977	5.50
1920 .....			969,756.00	161,625	6.00
1921 .....			954,418.20	156,426	6.10
1922 .....			785,082.90	160,211	4.90
1923 .....			926,794.40	160,410	5.84
1924 .....			892,363.54	157,745	5.67
1925 .....	861,278.56	43,063.93	818,214.63	157,872	5.18
1926 .....	1,252,595.83	62,629.79	1,189,966.04	156,383	7.61
1927 .....	1,365,181.09	68,259.05	1,296,922.04	154,458	8.3966
1928 .....	1,233,910.50	61,695.53	1,172,214.97	152,119	7.70509
1929 .....	1,340,903.71	67,045.19	1,273,858.52	157,747	8.07532
1930 .....	1,426,973.50	71,348.68	1,355,624.82*	160,846	8.42809
1931 .....	1,143,847.76	57,192.39	1,086,655.37	160,836	6.75629
1932 .....	878,693.71	43,934.69	834,759.02	161,372	5.17288
1933 .....	744,133.56	37,206.68	706,926.88	161,909	4.36619
1934 .....	832,656.52	41,632.83	791,023.69	162,099	4.87988
1935 .....	1,045,713.87	52,285.69	993,428.18	162,807	6.10187
1936 .....	1,058,184.61	52,909.23	1,005,275.38	163,053	6.16532
1937 .....	882,322.17	44,116.11	838,206.06	163,286	5.13361
1938 .....	847,371.91	42,368.60	805,003.31	160,204	5.02486
1939 .....	930,451.92	46,522.60	883,929.32	156,228	5.65794
1940 .....	909,912.64	45,495.63	864,417.01	154,898	5.58055
1941 .....	931,186.34	46,567.00	884,618.34	154,226	5.73586
1942 .....	1,459,171.69	72,958.58	1,386,213.11	149,666	9.26204

\* There was a balance of \$124.42 not apportioned.

TABLE NO. XXIX  
INCOME OF THIS DEPARTMENT APPORTIONED TO THE COUNTIES OF THE STATE IN THE YEARS  
1934 TO 1942, INCLUSIVE

(The rate is the amount per census person between the ages of 6 and 21).

County	1934 Rate	1935 Rate	1936 Rate	1937 Rate	1938 Rate	1939 Rate	1940 Rate	1941 Rate	1942 Rate
	\$4,879.88	\$6,101.87	\$6,165.32	\$5,133.36	\$5,024.86	\$5,657.94	\$5,580.55	\$5,735.86	\$9,262.94
Beaverhead	%	%	%	%	%	%	%	%	%
Big Horn	7,749.25	9,726.39	9,519.27	7,966.98	7,366.45	8,212.63	8,052.74	8,035.93	12,800.14
Blaine	14,351.95	19,825.51	21,079.26	17,817.90	17,727.72	21,107.69	21,455.35	21,255.35	26,720.23
Broadwater	14,156.33	18,482.28	18,274.69	14,979.15	14,732.90	14,910.29	16,443.45	16,293.27	26,498.72
Carbon	3,125.30	4,826.28	5,104.89	3,869.20	3,808.85	4,271.46	4,067.22	4,522.53	7,455.92
Carter	20,337.38	27,478.71	24,655.15	19,085.24	18,627.17	20,204.07	20,017.46	19,811.62	29,758.95
Cascade	6,313.45	7,474.80	7,496.21	5,728.63	4,914.32	5,447.09	5,173.88	5,388.45	8,471.00
Chouteau	54,896.02	66,669.10	67,578.11	55,128.50	52,854.24	57,047.44	56,048.25	57,053.44	92,544.61
Custer	12,541.29	14,960.78	14,605.66	11,452.23	10,017.34	11,292.43	10,893.25	11,170.51	17,310.76
Daniels	9,457.21	11,361.69	11,183.91	9,055.25	8,338.49	8,453.35	8,198.17	8,248.16	12,614.90
Dawson	14,542.04	18,281.22	17,965.77	14,388.81	14,436.49	14,208.25	13,866.52	14,360.69	22,451.19
Deer Lodge	17,639.53	21,808.11	21,843.76	18,002.70	17,326.73	19,386.72	18,482.80	19,266.74	30,787.04
Fallon	7,695.37	10,080.30	9,272.65	7,422.84	6,688.09	7,216.14	7,115.21	7,158.34	11,383.05
Fergus	24,706.85	30,570.40	30,043.65	23,505.66	20,958.71	22,644.90	21,703.36	22,180.56	34,945.69
Flathead	30,704.21	38,923.87	40,919.29	36,256.33	37,214.14	39,422.84	38,494.68	39,308.59	61,388.84
Gallatin	25,658.41	30,954.82	32,084.37	26,565.15	25,350.44	27,582.35	26,808.99	26,694.69	41,753.30
Garfield	6,658.56	8,066.69	7,466.21	5,690.50	4,663.07	4,881.67	4,336.99	4,479.69	7,196.61
Glacier	16,693.98	14,129.33	15,388.66	13,706.07	13,180.22	15,087.21	15,170.65	15,397.30	25,767.01
Golden Valley	3,801.43	3,777.06	3,606.72	2,813.08	2,562.68	2,664.71	2,617.28	2,533.24	3,813.96
Granite	4,887.60	4,887.60	4,512.23	4,512.23	4,522.38	4,696.63	4,475.61	4,387.92	6,677.93
Hill	19,148.65	25,810.94	26,523.24	23,346.53	20,988.86	22,762.47	22,193.87	22,352.63	35,594.04
Jefferson	5,211.71	6,486.29	6,126.31	5,528.63	5,301.23	5,592.65	5,675.43	5,781.74	8,539.60
Judith Basin	7,173.20	8,495.22	8,495.22	6,539.90	5,703.22	5,922.94	5,608.46	5,775.25	8,261.74
Lake	21,251.88	25,065.49	27,256.92	23,110.39	24,646.96	25,197.53	24,816.73	25,037.02	40,475.13
Lewis and Clark	23,277.03	29,777.16	30,456.72	24,886.54	25,064.07	27,112.30	26,870.38	27,824.64	43,077.17
Liberty	3,606.23	4,320.13	4,315.73	3,470.15	3,331.48	3,582.88	3,415.30	3,361.20	5,371.99
Lincoln	10,333.59	12,546.44	11,134.26	11,134.26	11,064.45	12,372.12	12,120.97	12,997.45	19,978.23
McCone	8,056.68	9,169.10	9,846.63	8,577.85	7,190.58	7,339.30	7,165.43	6,974.79	10,086.37
Madison	8,139.64	10,080.30	10,086.46	8,290.38	8,246.30	9,528.21	9,498.11	9,957.44	14,395.25
Meagher	2,561.94	3,197.38	3,156.65	2,628.28	2,537.56	3,045.45	2,745.63	3,336.37	5,936.37
Mineral	2,298.42	2,922.37	2,922.37	2,428.08	2,301.39	2,597.39	2,567.06	2,500.82	3,482.53
Missoula	29,586.71	37,428.91	38,847.74	33,967.45	34,279.62	38,739.85	37,925.46	39,760.97	63,361.64
Musselshell	16,994.37	13,503.45	12,793.06	10,533.66	9,507.04	10,172.01	9,838.52	9,584.61	14,124.62





TABLE NO. XXX

**ADDITIONS TO THE PUBLIC SCHOOL PERMANENT FUND  
UNDER CONSTITUTIONAL PROVISION THAT 5% OF  
THE PUBLIC SCHOOL INTEREST AND INCOME  
FUND SHALL BE ADDED ANNUALLY TO  
THE PERMANENT FUND**

Month Transfer Was Made	Amount
March, 1921 .....	\$ 7,442.22
March, 1922 .....	41,253.83
March, 1923 .....	49,314.52
March, 1924 .....	46,967.18
March, 1925 .....	43,063.93
March, 1926 .....	53,275.11
February, 1927 .....	68,259.05
February, 1928 .....	61,695.53
April, 1929 .....	67,045.19
March, 1930 .....	71,348.68
April, 1931 .....	57,192.39
April, 1932 .....	43,934.69
March, 1933 .....	37,206.68
February, 1934 .....	41,632.83
January, 1935 .....	52,285.69
January, 1936 .....	52,909.23
January, 1937 .....	44,116.11
May, 1938 .....	42,368.60
January, 1939 .....	46,522.60
February, 1940 .....	45,495.63
January, 1941 .....	46,568.00
January, 1942 .....	72,958.58
<b>TOTAL.....</b>	<b>\$1,092,856.27</b>

**TABLE NO. XXXI**  
**COST OF ADMINISTRATION**

State Land Office	July 1, 1940	July 1, 1941
	to June 30, 1941	to June 30, 1942
1. Salaries		
Commissioner .....	\$ 3,600.00	\$ 3,600.00
Assistant Commissioner .....	2,400.00	696.77
Other salaries .....	15,964.99	16,000.00
2. Furniture, equipment and repairs.....	337.25	359.51
3. Official bonds .....	162.48	126.25
4. Industrial Accident Insurance.....	30.77	25.69
5. Legal advertising .....	152.85	531.95
6. Postage .....	1,361.44	1,131.09
7. Printing .....	1,075.81	936.19
8. General office supplies .....	330.59	460.54
9. Travel .....	394.93	268.87
10. Other operating expenses.....	488.07	476.28
Totals.....	\$26,299.18	\$24,613.14
<b>Chief Field Agent</b>		
1. Salaries		
Chief Field Agent .....	\$ 3,250.00	\$ 3,250.00
Other salaries .....	8,270.03	8,637.20
2. Expenses of Field Men.....	8,984.19	7,273.40
3. Official bonds .....	12.50	.....
4. Industrial Accident Insurance.....	29.64	29.43
5. Postage .....	240.96	464.22
6. Equipment and repairs.....	62.60	148.04
7. Miscellaneous expenses .....	3.00	59.41
Totals.....	\$20,852.92	\$19,861.70
<b>TOTALS FOR DEPARTMENT.....</b>	<b>\$47,152.10</b>	<b>\$44,474.84</b>









